



July 6, 2015

Dr. John MacArthur, President  
The Master's College & Seminary  
21726 Placerita Canyon Road  
Santa Clarita, CA 91321

Certified Mail  
Return Receipt Requested  
#: 70070710000106755196

RE: **Final Program Review Determination**  
OPE ID: 00122000  
PRCN: 201430928570

Dear Dr. MacArthur:

The U.S. Department of Education's (Department's) San Francisco/Seattle School Participation Division issued a program review report on June 25, 2014 covering The Master's College and Seminary's (TMC's) administration of programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2012-2013 and 2013-2014 (year to the program review date) award years. TMC's final response was received on October 10, 2014. A copy of the program review report (and related attachments) and TMC's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by TMC upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

**Purpose:**

Final determinations have been made concerning all of the outstanding findings of the program review report. The purpose of this letter is to: (1) close the review, and (2) notify TMC of a possible adverse action. Due to the serious nature of one or more of the enclosed findings, this FPRD is being referred to the Department's Administrative Actions and Appeals Service Group (AAASG) for its consideration of possible adverse action. Such action may include a fine, or the limitation, suspension or termination of the eligibility of the institution. Such action may also include the revocation of the institution's program participation agreement (if provisional), or, if the institution has an application pending for renewal of its certification, denial of that application. If AAASG initiates any action, a separate notification will be provided which will include information on institutional appeal rights and procedures to file an appeal.

This FPRD contains findings regarding TMC's failure to comply with the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery

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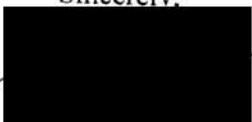
Act) and the Drug-Free Schools and Communities Act (DFSCA) and Part 86 of the Department's General Administrative Regulations. Since a Clery Act and DFSCA finding does not result in a financial liability, such a finding may not be appealed.

**Record Retention:**

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. §§ 668.24(e)(1), (e)(2), and (e)(3).

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has any questions regarding this letter, please contact Marisol Nealon, Institutional Review Specialist, at (415) 486-5506.

Sincerely,



Martina Fernandez-Rosario  
Division Director  
San Francisco/Seattle School Participation Division

cc: Mr. Gary Edwards, Financial Aid Administrator  
WASC Senior College and University Commission  
California Bureau of Private Postsecondary Education  
Department of Defense (via e-mail at [osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil](mailto:osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil))  
Department of Veterans Affairs (via e-mail at [INCOMING.VBAVACO@va.gov](mailto:INCOMING.VBAVACO@va.gov))  
Consumer Financial Protection Board (via e-mail at [CFPB\\_ENF\\_Students@cfpb.gov](mailto:CFPB_ENF_Students@cfpb.gov))

Enclosure:  
Final Program Review Determination

Prepared for  
The Master's College and Seminary

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OPE ID: 00122000  
PRCN: 201430928570

Prepared by:  
U.S. Department of Education  
Federal Student Aid  
San Francisco/Seattle School Participation Division

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**A. Institutional Information**

The Master's College & Seminary  
 21726 Placerita Canyon Road  
 Santa Clarita, CA 91321-1200

Type: Private, Nonprofit

Highest Level of Offering: Master's Degree or Doctor's Degree

Accrediting Agency: Western Association of Schools and Colleges, Senior Colleges and Universities Commission (WASC SR)

Current Student Enrollment: 1,305 (2013-2014)

% of Students Receiving Title IV: 76.62% (2013-2014)

Title IV Participation according to National Student Loan Data System (NSLDS):

<u>Award Year</u>	<u>2012-2013</u>
Federal Pell Grant Program	\$ 1,673,312
William D. Ford Federal Direct Loan Program	\$ 7,690,857
Federal Perkins Loan Program	\$ 75,100
Federal Supplemental Educational Opportunity Grant Program	\$ 81,242
Federal Work Study Program	\$ 162,640

Default Rate FFEL/DL:	2009	0.6%
	2010	3.1%
	2011	2.5%

Default Rate Perkins:	6/30/2011	10.9%
	6/30/2012	12.5%
	6/30/2013	16.4%

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at The Master's College & Seminary (TMC) from April 7, 2014 to April 11, 2014. The review was conducted by Marisol Nealon and Lana Walter.

The focus of the review was to determine TMC's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of TMC's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, and student account ledgers.

A sample of 32 files was identified for review from the 2012-2013 and 2013-2014 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review. A copy of the PRR issued on June 25, 2014 is attached as Appendix B.

### **Disclaimer:**

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning TMC's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve TMC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

## **C. Findings and Final Determinations**

### **Resolved Findings**

- Finding 1. Failure to Comply with Verification Requirements
- Finding 2. Aggregate Loan Limit Exceeded
- Finding 3. Failure to Provide Consumer Information
- Finding 7. Inaccurate Reporting to National Student Loan Data System
- Finding 8. Exit Counseling Deficiencies
- Finding 9. Unprotected Personally Identifiable Information (PII) in Student File

TMC has taken the corrective actions necessary to resolve findings 1-3 and 7-9 of the program review report. Therefore, these findings may be considered closed. The institution's written response on these findings may be found at Appendix C. Findings requiring further action by TMC are discussed below.



### **Findings with Final Determinations**

The PRR findings requiring further action are summarized below. At the conclusion of each finding is a summary of TMC's response to the finding, and the Department's final determination for that finding.

#### **Finding #4. Crime Awareness Requirements Not Met – Omitted/Inadequate Policy and Procedure Disclosures in the Annual Security Report**

***Citation Summary:** The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Department's regulations require that all institutions that receive Title IV, HEA funds must, by October 1 of each year, publish and distribute to its current students and employees, a comprehensive Annual Security Report (ASR) that contains, at a minimum, all of the statistical and policy elements enumerated in 34 C.F.R. §668.46(b). With the exception of certain drug and alcohol prevention program information, cross-referencing to other publications is not sufficient to meet the publication and distribution requirements. §485(f) of the HEA; 34 C.F.R. § 668.46(b).*

*The ASR must be published and actively distributed as a single document. Acceptable means of delivery include U.S. Mail, hand delivery, or campus mail distribution to the individual or posting on the institution's website. If the institution chooses to distribute its report by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to all students and employees that includes a statement of the report's availability, its exact electronic address, a description of its contents, and an advisement that a paper copy will be provided upon request. 34 C.F.R. § 668.41(e)(1). These regulations also require institutions to provide a notice containing this information to all prospective students and employees. This notice must also advise interested parties of their right to request a paper copy of the ASR and to have it furnished upon request. 34 C.F.R. § 668.41(e)(4).*

*The ASR must include statistics for incidents of crimes reported during the three most recent calendar years. The covered categories include criminal homicide (murder and non-negligent manslaughter), forcible and non-forcible sex offenses, robbery, aggravated assaults, burglary, motor vehicle theft, and arson. Statistics for certain hate crimes, as well as arrest and disciplinary referral statistics for violations of certain laws pertaining to illegal drugs, illegal usage of controlled substances, liquor, and weapons, also must be disclosed in the ASR. These crime statistics must be published for the following geographical categories: 1) on campus; 2) on-campus student residential facilities; 3) certain non-campus buildings and property; and, 4) certain adjacent and accessible public property. 34 C.F.R. § 668.46(c)(1).*

*Additionally, the ASR must include several policy statements. These disclosures are intended to inform the campus community about the institution's security policies,*



*procedures, and the availability of programs and resources as well as channels for victims of crime to seek recourse. In general, these policies include topics such as the law enforcement authority and practices of campus police and security forces, incident reporting procedures for students and employees, and policies that govern the preparation of the report itself. Institutions are also required to disclose alcohol and drug policies and educational programs. Policies pertaining to sexual assault education, prevention, and adjudication must also be disclosed. Institutions also must provide detailed policies on the issuance of timely warnings, emergency notifications, and evacuation procedures. All required statistics and policies must be included in the ASR. § 485(f) of the HEA; 34 C.F.R. § 668.46(b)(2).*

*Finally, each institution must also submit campus crime statistics for inclusion in the Department's "Campus Safety and Security Data Analysis Cutting Tool." 34 C.F.R. § 668.41(e)(5).*

***Noncompliance Summary:*** *The Master's College and Seminary (TMC) violated multiple provisions of the Clery Act by failing to include all required information in its ASR. Although TMC included information on pastoral and professional counseling available to victims of sex offense crimes, TMC failed to include information describing procedures that encourage pastoral counselors and professional counselors to inform the persons that they are counseling of any procedures to report crimes on a voluntary, confidential basis for inclusion in the annual disclosure of crime statistics. TMC had an incomplete statement of policy regarding the institution's campus sexual assault programs, and an incomplete description of procedures to follow when a sex offense occurs. TMC failed to include a description of educational programs to promote the awareness of rape, acquaintance rape, and other forcible and non-forcible sex offenses. Also, TMC did not include in the procedures for campus disciplinary action in cases of an alleged sex offense, a clear statement that the accuser and the accused are entitled to the same opportunities to have others present during a disciplinary proceeding.*

*Failure to publish an accurate and complete ASR and to actively distribute it to current students and employees in accordance with federal regulations deprives the campus community of important security information that can empower its members to be informed and play an active role in their own safety and security.*

***Required Action Summary:*** *As a result of the above violations, TMC was required to prepare and publish an accurate and complete ASR that includes all of the statistical disclosures and policy, procedure and programmatic information required under 34 C.F.R. § 668.46(b). TMC provided documentation to the Department evidencing the revised ASR includes the missing statements and disclosure. TMC had to provide a certification statement attesting to the fact that the materials were distributed in accordance with the Clery Act. This certification was also required to affirm that the institution understands all of its Clery Act obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur.*



*TMC officials were advised to review the Department's "Handbook for Campus Safety and Security Reporting" (2011) during the preparation of its response. The handbook is available online at: <http://www2.ed.gov/admins/lead/safety/handbook.pdf>. The regulations governing the Clery Act can be found at 34 C.F.R. §§ 668.14, 668.41, 668.46, and 668.49. This information was also provided to the institution's administrators during the program review.*

*The exceptions identified in this finding constitute serious violations of the Clery Act that by their nature cannot be cured. There is no way to truly "correct" a violation of this type once it occurs. TMC was given an opportunity to develop and distribute an accurate and complete ASR, and in so doing, to bring its overall campus security program into compliance with the Clery Act as required by its Program Participation Agreement (PPA). However, the institution was advised that these remedial measures cannot and do not diminish the seriousness of these violations, nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures.*

**TMC's Response:** In its official response, TMC concurred with the finding and stated that remedial action was taken as directed in the program review report. In support of its claims, College officials submitted a copy of its revised 2013 ASR and a certification statement attesting to the fact that the revised report was distributed in accordance with the Clery Act.

**Final Determination:** Finding #4 of the program review report cited TMC for its failure to include certain required statements of policy and procedure in its 2012 ASR. Specifically, the College's 2012 ASR did not include the five significant policy disclosures listed in the noncompliance section above, as required by 34 C.F.R. § 668.46(b). As a result of this violation, TMC was required to develop and implement new policies and procedures to address the identified deficiencies. Then, the College was required to include these statements in a revised 2013 ASR and to distribute that report to enrolled students and current employees. In its response, TMC concurred with the finding, described its remedial actions, and submitted documentation in support of its claims.

The Department carefully examined TMC's narrative response and supporting documentation. Based on that review and the institution's admission of noncompliance, the violations identified in the initial finding are sustained. The review team's examination also showed that the identified violations were, for the most part, satisfactorily addressed by the modified 2013 ASR and the College's new and revised internal policies and procedures. As such, the Department has determined that TMC's remedial action plan meets minimum requirements. For these reasons, the Department has accepted the College's response and considers this finding closed for purposes of this program review. Nevertheless, the directors and officials of TMC are put on notice that



they must take any additional actions that may be needed to address the deficiencies identified by the Department, as well as any other deficiencies or weaknesses that were detected by the institution during the preparation of its response, and/or as may otherwise be needed to ensure that these violations do not recur.

Although the finding is closed, TMC is reminded that the exceptions identified above constitute serious violations of the Clery Act that by their nature cannot be cured. There is no way to truly "correct" a violation of this type once it occurs. The production and distribution of an accurate and complete ASR are the most basic requirements of the Clery Act and are fundamental to its campus safety goals. TMC asserted that it has taken adequate remedial actions and that by doing so, that it is now in compliance with the Clery Act as required by its Program Participation Agreement (PPA). Nevertheless, TMC's management must understand that the violations documented by the program review deprived students and employees of important campus safety and crime prevention information to which they are entitled. For these reasons, TMC is advised that its remedial actions cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective actions as a result.

Because of the serious consequences of Clery Act violations, the Department strongly recommends that TMC re-examine its campus security and general Title IV policies and procedures on an annual basis to ensure that they continue to reflect current institutional practices and are compliant with federal regulations. As part of these periodic reviews, TMC officials are encouraged to continue to use the Department's "Handbook for Campus Safety and Security Reporting" (2011) as a reference guide for Clery Act compliance. The Handbook is online at: [www2.ed.gov/admins/lead/safety/handbook.pdf](http://www2.ed.gov/admins/lead/safety/handbook.pdf). The Department also provides a number of other Clery Act training resources. TMC can access these materials at: [www2.ed.gov/admins/lead/safety/campus.html](http://www2.ed.gov/admins/lead/safety/campus.html). The regulations governing the Clery Act can be found at 34 C.F.R. §§ 668.14, 668.41, 668.46, and 668.49.

TMC's management is also reminded that Section 304 of the Violence Against Women Reauthorization Act of 2013 (VAWA) amended the Clery Act to require institutions to compile and disclose statistics for incidents of sexual assault, dating violence, domestic violence, and stalking. VAWA also requires institutions to include new policy, procedural, and programmatic disclosures regarding sexual assault prevention, response, and adjudication in their ASRs. All institutions are currently obligated to make a documented good-faith effort to comply with the statutory requirements of VAWA and were required to include all new required content in the 2014 ASR. The Department issued Final Rules on the VAWA amendments on October 20, 2014 and therefore, these regulations went into full effect on July 1, 2015, per the Department's Master Calendar. In light of the violations documented above, TMC is advised to bring its sexual assault policies up to the standard required by VAWA now. TMC officials may access the text of the Final Rule at:

<http://ifap.ed.gov/fregisters/attachments/FR102014FinalRuleViolenceAgainstWomenAct.pdf>.

**Finding #5. Drug and Alcohol Abuse Prevention Program Requirements Not Met**

**Citation Summary:** *The Drug-Free Schools and Communities Act (DFSCA) and Part 86 of the Department's General Administrative Regulations require each institution of higher education (IHE) that receives federal education funding to certify that it has developed and implemented a drug and alcohol abuse prevention program (DAAPP). The program must be designed to prevent the unlawful possession, use and distribution of illicit drugs and alcohol abuse on campus and at recognized events and activities.*

*On an annual basis, each IHE must provide the following information in writing to all current students (enrolled for any type of academic credit except continuing education units) and all current employees:*

- *A written statement about its standards of conduct that clearly prohibits the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees on its property or as part of any of its activities;*
- *A written description of the applicable legal sanctions under local, state, or federal law for the unlawful possession or distribution of illicit drugs and alcohol;*
- *A description of the health risks associated with the use of illicit drugs and the abuse of alcohol;*
- *A description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to employees or students; and,*
- *A clear statement that the institution will impose disciplinary sanctions on students and employees (consistent with federal, state, and local laws and ordinances) and a description of those sanctions, up to and including expulsion or termination of employment and referral for prosecution, for violations of the standards of conduct. For the purpose of this section, please note that a disciplinary sanction may include the required completion of an appropriate treatment program.*

*Moreover, federal regulations require each institution to conduct biennial reviews to measure the effectiveness of its DAAPP and to ensure consistent treatment in its enforcement of applicable drug and alcohol-related statutes, ordinances, and institutional policies against students and employees found to be in violation. The institution must prepare a report of findings and maintain its biennial review report and*



*supporting documents and make them available to the Department upon request. 34 C.F.R. §§ 86.3, 86.100 and 86.103.*

***Noncompliance Summary:*** *The review team found that TMC failed to distribute its written DAAPP to all its employees and students annually. Furthermore, TMC failed to conduct a biennial review and prepare a report of findings as required by the DFSCA. The biennial review measures the effectiveness of an institution's DAAPP and also assesses the consistency of sanctions imposed for violations of disciplinary standards and codes of conduct.*

*Failure to comply with the DFSCA's DAAPP requirements deprives students and employees of important information regarding the educational, disciplinary, health, and legal consequences of illegal drug use and alcohol abuse. Failure to comply with the biennial review requirements also deprives the institution of important information about the effectiveness of its own drug and alcohol programs. Such failures may contribute to increased drug and alcohol abuse on-campus as well as an increase in drug and alcohol-related violent crime.*

***Required Action Summary:*** *TMC was required to take all necessary corrective actions to resolve these violations. At a minimum, TMC was required to perform the following:*

- *Develop, implement and document a comprehensive DAAPP that includes all of the required elements found in the DFSCA and the Department's Part 86 regulations.*
- *Develop procedures for ensuring that the DAAPP program materials are documented and distributed to every student who is currently enrolled in the institution, and to all employees. TMC was required to provide a copy of its new distribution policy with its response to this program review report. The institution was required to distribute the DAAPP in accordance with Part 86 regulations and provide documentation evidencing the distribution as well as a statement of certification attesting to the fact that these materials have been distributed in accordance with the DFSCA. This certification was also required to affirm that the institution understands all of its DFSCA obligations and that it has taken all necessary actions to ensure that these violations do not recur.*
- *Conduct a biennial review to: 1) evaluate the effectiveness of its existing drug and alcohol programs and its DAAPP; 2) identify necessary improvements and modifications; and 3) assess the consistency of sanctions imposed for violations of its disciplinary standards and codes of conduct. TMC was also required to prepare a detailed report of its findings and incorporate these findings into its new comprehensive DAAPP. The biennial review report must describe the research methods and data analysis tools that were used in the*

*assessment. In addition, the report must identify the responsible official(s) who conducted the review. Finally, the report must be approved by the institution's chief executive and/or its Board. The biennial review was required to be completed by September 1, 2014 and be submitted to the Department by September 15, 2014.*

- *Develop policies and procedures to ensure that all future biennial reviews are substantive in nature, are conducted in a timely manner, and are fully documented. A copy of these policies and procedures were required to accompany the institution's biennial review report.*

*TMC was reminded that the exceptions identified above constitute serious violations of the DFSCA that, by their nature, cannot be cured. TMC has indicated its intention to comply and will be required to take corrective action as described above and, in so doing, will finally begin to bring its drug and alcohol programs into compliance with the DFSCA as required by its PPA. However, TMC was advised that its remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action as authorized by the DFSCA and/or other corrective measures.*

**TMC's Response:** In its official response, TMC concurred with the finding and stated that remedial action was taken as directed in the program review report. In summary, College officials claimed that a comprehensive DAAPP was developed and that the new program includes all of the required elements. Per the response, TMC also developed procedures for ensuring that DAAPP materials are actively distributed to every student who is currently enrolled in the College and to all employees and that records are maintained to document its dissemination efforts. In support of its claims, TMC submitted a copy of its new program materials, annual disclosure, biennial review report, and new internal policies and procedures. These new procedures detail how the annual DAAPP disclosure will be distributed and how future biennial reviews will be conducted and documented.

**Final Determination:** Finding #5 of the program review report cited TMC for multiple violations of the DFSCA and the Department's Part 86 regulations. The review team initially found that the College failed to actively distribute DAAPP materials to its enrolled students and current employees. The team also found the TMC persistently failed to conduct biennial reviews to evaluate the effectiveness of any drug and alcohol programs that may have been in place. This deficiency also made it impossible for the College to produce the required reports of findings and recommendations. These violations caused the team to inquire further to determine if the College actually had a DAAPP. The team determined that no program meeting federal requirements was in place. These separate and distinct violations necessarily follow from each other because the biennial review is primarily a study of the effectiveness of the DAAPP. Therefore, an institution cannot conduct a proper biennial review until it has a fully-functional DAAPP



in place and program requirements and standards of conduct are clearly communicated to all members of the campus community. As a result of these violations, TMC was required to develop and implement a comprehensive DAAPP. The College was also required to produce an accurate and complete disclosure that summarizes the program and to distribute these materials to all required recipients. Furthermore, TMC was required to conduct its first biennial review and to submit its report as part of its official response. Finally, TMC was required to develop policies and procedures to ensure the active delivery of program materials and the timely conduct of future biennial reviews. In its response, TMC concurred with the finding, described its remedial actions, and submitted documents in support of its claims.

The Department carefully examined TMC's narrative response and supporting documentation. Based on the Department's review and TMC's admission of noncompliance, each of the violations identified in the initial finding are sustained. Indeed, the review team determined that the College failed to comply with any aspect of the DFSCA during the review period. The review team's examination also showed that the identified violations were, for the most part, satisfactorily addressed by TMC's new DAAPP, annual disclosure, biennial review report, and new internal policies and procedures. As such, the Department determined that TMC's remedial action plan meets minimum requirements. For these reasons, the Department has accepted the response and considers this finding to be closed for purposes of this program review. Nevertheless, the officials and directors of TMC are put on notice that the institution must take all other action that may be necessary to address the deficiencies and weaknesses identified by the Department as well as those that were detected during the preparation of the response to the Department's report and as may otherwise be needed to ensure that these violations do not recur.

In this regard, TMC officials are advised that the institution must continue to develop its DAAPP, actively distribute accurate and complete program materials to members of the campus community, and conduct substantive biennial reviews on the required schedule. TMC must also ensure that each biennial review report includes substantive information about the conduct of the review including details about the research methods used and outcomes reached. Care must also be taken to ensure that all findings are supported by valid evidence and that appropriate action is taken on all recommendations for improvement. Finally, each report must indicate that it was approved by the College's President and/or its board.

Although this finding is now closed, TMC is specifically reminded that the exceptions identified above constitute serious and persistent violations of the DFSCA that by their nature cannot be cured. There is no way to truly "correct" violations of this type once they occur. TMC asserted that it has taken adequate remedial actions and that by doing so, is now in compliance with the DFSCA as required by its PPA. Nevertheless, TMC officials must understand that compliance with the Clery Act and the DFSCA is essential to maintaining a safe and healthy learning environment. Data compiled by the



Department shows that the use of illicit drugs and alcohol abuse is highly correlated to increased incidents of violent crime on campus. DFSCA violations deprive students and employees of important information regarding the educational, financial, health, and legal consequences of alcohol abuse and illicit drug use and deprive institutions of important information about the effectiveness of any drug and alcohol programs that may have been in place during the review period. For these reasons, TMC is advised that its remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or additional remedial measures as a result.

In light of the serious consequences associated with compliance failures of this type, the Department strongly recommends that TMC re-examine its DAAPP policies and procedures on at least an annual basis and revise them as needed to ensure that they continue to reflect current institutional policy and are in full compliance with the DFSCA. Please be advised that the Department may request information on a periodic basis to test the effectiveness of the College's new policies and procedures.

**Finding #6. Fire Safety Requirements Not Met – Incomplete Annual Fire Safety Report**

***Citation Summary:** As of October 1, 2010, the Clery Act and the Department's regulations require that all institutions that receive Title IV, HEA funds and maintain an on-campus student housing facility must, by October 1 of each year, prepare, publish and distribute to its current students and employees through appropriate publications and mailings, an Annual Fire Safety Report (AFSR) that contains, at a minimum, all of the statistical and policy elements described in 34 C.F.R. § 668.49(b). These institutions must disclose fire statistics for each on-campus student residential facility for the three most-recent calendar years. An institution's statistics must accurately and completely identify the number of on-campus fires, the cause of each fire, and the number of persons who sustained fire-related injuries that resulted in treatment at a medical facility (including on-campus health centers), the number of fire-related deaths, and the dollar value of property damage caused by such fires. 34 C.F.R. § 668.49(c).*

*In addition, the AFSR must include several fire safety information disclosures covering topics such as the type(s) of fire safety systems that are used in each student housing facility, the number of fire drills that were conducted during the previous calendar year, any institutional policies, procedures, and programs regarding: 1) the use and/or possession of portable electrical appliances; 2) smoking and the use/presence of open flames in student housing facilities; 3) evacuation procedures to be followed in the case of a fire; 4) fire safety education and training programs; 5) the institutional official(s) and departments to whom students and employees should report the occurrence of fires so that those incidents can be included in the institution's annual fire statistics; and, 6) any plans for future improvements to the institution's fire safety program. 34 C.F.R.*

§ 668.49(b).

*Each AFSR must be published and distributed as a materially-complete, comprehensive publication. If an institution chooses to combine the Annual Security Report (ASR) and AFSR and publish them as a single document, then the title of both reports must conspicuously appear of the cover page. Acceptable means of delivery include U.S. Mail, hand delivery, or campus mail distribution to the individual or posting on the institution's website. If an institution chooses to distribute its report by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to all current students and employees that includes a direct link to each report (exact electronic address), a description of its contents, as well as an advisement that a paper copy will be provided upon request. The Department's regulations also require participating institutions to provide a notice to all prospective students and employees that includes a statement about the AFSR's availability, the content of each report, and the exact electronic address of each report, if posted to an internet or intranet site. This notice must also advise interested parties how to obtain a paper copy of the AFSR.*

*Finally, an institution is required to submit its campus crime and fire statistics to the Secretary on an annual basis. 34 C.F.R. § 668.41(e)(1) - (6).*

***Noncompliance Summary:*** *TMC violated multiple provisions of the Clery Act fire safety requirements. TMC reported annual fire safety statistics for each on-campus housing facility for the three most recent calendar years for which data are available. However, it failed to classify the fire as: (a) unintentional; (b) intentional; or (c) undetermined. In addition, TMC did not include in the report the number of fire drills held during the previous calendar year.*

*Failure to publish an accurate and complete AFSR and to actively distribute it to students and employees deprives interested persons of important fire safety information to which they are entitled. Access to this information permits campus community members, especially those who live in campus housing, to make well-informed decisions about where to work and study and empowers them to play a more active role in their own safety and security.*

***Required Action Summary:*** *As a result of this violation, TMC was required to provide a copy of the annual fire safety statistics with the respective classifications of fire as: (a) unintentional; (b) intentional; or (c) undetermined. In addition, TMC was required to provide documentation to the Department evidencing the inclusion of the number of fire drills held the previous calendar year.*

*TMC was required to actively distribute the AFSR to all current students and employees in accordance with 34 C.F.R. § 668.41(e) and to provide documentation to the Department evidencing the distribution as well as a certification statement attesting to*



*the fact that the materials were distributed in accordance with the Clery Act. This certification was also required to affirm that the institution understands all of its Clery Act obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur.*

*As noted above, the exceptions identified in this finding constitute serious violations of the Clery Act's fire safety requirements that by their nature cannot be cured. TMC was given an opportunity to publish and distribute an accurate and complete AFSR and in so doing, begin to bring its overall fire safety program into compliance with the Clery Act as required by its Program Participation Agreement (PPA). While enhanced safety is the Department's primary focus, we note that such improvements will likely result in a better risk management environment for TMC as well. TMC is advised that these remedial measures cannot and do not diminish the seriousness of these violations, nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures.*

**TMC's Response:** In its official response, TMC concurred with the finding and stated that remedial action was taken as directed in the program review report. In support of its claims, TMC submitted a copy of its revised AFSR that included fire statistics disclosed properly by category of fire. The number of fire drills conducted during the previous calendar year was also disclosed in the revised report.

**Final Determination:** Finding #6 of the program review report cited TMC for not disclosing its fire statistics by category of fire: (a) unintentional; (b) intentional; or (c) undetermined in its 2012 AFSR. The College also failed to disclose in its 2012 AFSR required information about the number of fire safety drills conducted and information about the outcome of each drill conducted during calendar year 2011. As a result of these violations, TMC was required to review and revise its existing internal policies and procedures that govern the preparation, publication, and distribution of the AFSR and to develop and implement any new policies and procedures as needed to ensure that all fire safety operations are carried out in a manner that meets Federal requirements. The College's new internal rules must also provide for the disclosure of accurate and complete fire statistics as well as information about its safety drills. In its response, TMC concurred with the finding and stated that remedial action was taken and submitted documents in support of its claims.

The Department carefully examined TMC's narrative response and supporting documentation. Based on that review and TMC's admission of noncompliance, the violations identified in the initial finding are sustained. The review team's examination also showed that the identified violation was, for the most part, satisfactorily addressed by the revised 2013 AFSR and the College's new and revised internal policies and procedures. As such, the Department has determined that TMC's corrective action plan meets minimum requirements. For these reasons, the Department has accepted TMC's response and considers this finding to be closed for the purposes of this program review.



Nevertheless, the College's officers and directors are on notice that the institution must take all additional actions that may be necessary to address the violations identified above as well as any other deficiencies and weaknesses were detected during the preparation of the College's response and/or as may otherwise be needed to ensure that these violations do not recur.

Although this program review finding is now closed, TMC is reminded that the exceptions identified above constituted serious violations of the Clery Act that by their nature cannot be cured. There is no way to truly "correct" violations of this type once they occur. The College asserted that it took adequate remedial actions and that by doing so, it is now in compliance with the Clery Act's fire safety requirements as required by its PPA. Nevertheless, TMC officials must understand that compliance with the Clery Act's fire safety requirements is essential to maintaining a safe and healthy environment, especially for those living in campus housing. Violations of the type documented in this case deprived students and employees of important fire safety information to which they were entitled. For these reasons, the College is advised that its remedial actions cannot and do not diminish the seriousness of these violations nor do these efforts eliminate the possibility that the Department will impose an adverse administrative action and/or additional corrective measures as a result.

#### **D. Appendices**

- Appendix A: Student Sample
- Appendix B: Program Review Report
- Appendix C: TMC's Response to the Program Review Report



June 25, 2014

Dr. John MacArthur, President  
The Master's College & Seminary  
21726 Placerita Canyon Road  
Santa Clarita, CA 91321

Certified Mail  
Return Receipt Requested  
#: 70070710000106755554

RE: **Program Review Report**  
OPE ID: 00122000  
PRCN: 201430928570

Dear Dr. MacArthur:

From April 7, 2014 through April 11, 2014, Marisol Nealon and Lana Walter conducted a review of The Master's College & Seminary's (TMC's) administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The findings of that review are presented in the enclosed report.

Findings of noncompliance are referenced to the applicable statutes and regulations and specify the action required to comply with the statute and regulations. Please review the report and respond to each finding, indicating the corrective actions taken by TMC. The response should include a brief, written narrative for each finding that clearly states TMC's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, TMC must provide supporting documentation as required in each finding.

Please note that pursuant to HEA section 498A(b), the Department is required to:

- (1) provide to the institution an adequate opportunity to review and respond to any preliminary program review report<sup>1</sup> and relevant materials related to the report before any final program review report is issued;
- (2) review and take into consideration an institution's response in any final program review report or audit determination, and include in the report or determination –
  - a. A written statement addressing the institution's response;
  - b. A written statement of the basis for such report or determination; and
  - c. A copy of the institution's response.

The Department considers the institution's response to be the written narrative (to include e-mail communication). Any supporting documentation submitted with the institution's written response will not be attached to the FPRD. However, it will be retained and available for

<sup>1</sup> A "preliminary" program review report is the program review report. The Department's final program review report is the Final Program Review Determination (FPRD).

inspection by TMC upon request. Copies of the program review report, the institution's response, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after the FPRD is issued.

The institution's response should be sent directly to Marisol Nealon of this office within 60 calendar days of receipt of this letter.

**Protection of Personally Identifiable Information (PII):**


PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample.

**Record Retention:**

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. § 668.24(e).

We would like to express our appreciation for the courtesy and cooperation extended during the review. Please refer to the above Program Review Control Number (PRCN) in all correspondence relating to this report. If you have any questions concerning this report, please contact Marisol Nealon at (415) 486-5506 or [Marisol.Nealon@ed.gov](mailto:Marisol.Nealon@ed.gov).

Sincerely,



Erik J. Fosker  
Compliance Manager  
San Francisco/Seattle School Participation Division

cc: Mr. Gary Edwards, Financial Aid Administrator

Enclosures:  
Program Review Report  
Protection of Personally Identifiable Information



Prepared for  
The Master's College and Seminary

**Federal Student Aid**  
An OFFICE of the U.S. DEPARTMENT of EDUCATION

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**OPE ID: 00122000**  
**PRCN: 201430928570**

Prepared by  
**U.S. Department of Education**  
**Federal Student Aid**  
**San Francisco/Seattle School Participation Division**

## Program Review Report

June 25, 2014

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## A. Institutional Information

The Master's College & Seminary  
 21726 Placerita Canyon Road  
 Santa Clarita, CA 91321-1200

Type: Private, Nonprofit

Highest Level of Offering: Master's Degree or Doctor's Degree

Accrediting Agency: Western Association of Schools and Colleges, Senior Colleges and Universities Commission (WASC SR)

Current Student Enrollment: 1,305 (2013-2014)

% of Students Receiving Title IV: 76.62% (2013-2014)

Title IV Participation according to National Student Loan Data System (NSLDS):

	<u>2012-2013 Award Year</u>
Federal Pell Grant Program	\$ 1,673,312
William D. Ford Federal Direct Loan Program	\$ 7,690,857
Federal Perkins Loan Program	\$ 75,100
Federal Supplemental Educational Opportunity Grant Program	\$ 81,242
Federal Work Study Program	\$ 162,640

Default Rate FFEL/DL:	2009	0.6%
	2010	3.1%
	2011	2.5%

Default Rate Perkins:	6/30/2011	10.9%
	6/30/2012	12.5%
	6/30/2013	16.4%

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at The Master's College & Seminary (TMC) from April 7, 2014 to April 11, 2014. The review was conducted by Marisol Nealon and Lana Walter.

The focus of the review was to determine TMC's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but not limited to, an examination of TMC's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, and student account ledgers.

A sample of 32 files was identified for review from the 2012-2013 and 2013-2014 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review.

### **Disclaimer:**

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning TMC's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve TMC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

This report reflects initial findings. These findings are not final. The Department will issue its final findings in a subsequent Final Program Review Determination (FPRD) letter.

## **C. Findings**

During the review, several areas of noncompliance were noted. Findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by TMC to bring operations of the financial aid programs into compliance with the statutes and regulations.

### **Finding #1. Failure to Comply with Verification Requirements**

**Citation:** Institutions must require Title IV applicants to verify information used to calculate an applicant's Expected Family Contribution (EFC) in two instances: When the applicant is selected by the Secretary to be verified or when an institution has reason to believe that any information on an application used to calculate an EFC is inaccurate. For each award year the Secretary publishes in the Federal Register notice the Free Application for Federal Student aid



(FAFSA) information that an institution and an applicant may be required to verify. For each applicant whose FAFSA information is selected for verification by the Secretary, the Secretary specifies the specific information that the applicant must verify. 34 C.F.R. §§ 668.54; 668.56.

**Noncompliance:** TMC failed to comply with the requirement to verify information used to calculate the EFC when an application is selected for verification by the Central Processing System (CPS) for the following students:

Student #2: The student was selected for verification for the 2012-13 award year. It was found that the parents reported foster children as part of the household size. Foster children and funds received from an agency for foster children are not included in the EFC calculation.

Student #4: The student was selected for verification for the 2012-13 award year. The father's information is missing from the 2012-13 institutional verification worksheet, although the student is a dependent student.

Student #5: The student was selected for verification for the 2012-13 award year. TMC failed to resolve the conflicting information regarding the tax filing status for the parents. The parents are reported as married on the Institutional Student Information Record (ISIR); however, the mother filed taxes as single and the father filed as head of household.

Student #26: The student was selected for verification for the 2013-14 award year. TMC did not use the IRS transcripts to verify family income. Although the student had filed an amended tax document, there was no documentation on file of the student's income and other pertinent information from the amended tax return. Form 1040X is used for amended U.S. Individual Income Tax Returns and there was no evidence of an amended IRS transcript in the student file.

**Required Action:** TMC is responsible for ensuring that each student selected for verification is properly verified. A full file review of all students selected for verification for the 2012-2013 award year must be conducted. The results of this file review are required to be submitted in a spreadsheet, including the following information, with supporting documentation attached. If TMC does not include each of the data elements requested, the response will not be considered complete.

- 1) Student Name
- 2) Social Security Number
- 3) Verification Complete? y/n
- 4) Original EFC
- 5) Revised EFC after verification
- 6) Original Disbursed Amounts, by Title IV Program
- 7) Corrected Amounts, by Title IV Program
- 8) Funds due to the Department, if any, by Title IV Program

Liabilities due to the Department, as a result of the failure to complete verification or overpayments to students will be identified in the FPRD and repayment instructions provided therein.

All verification documentation must be submitted in response to this PRR.

In addition, TMC must review its policies and procedures to ensure the verification process is properly completed for all students selected in the future. This includes collecting required documentation and reviewing the documentation against a student's ISIR and verification worksheets for accuracy. If inaccurate, corrections must be submitted to the CPS. The revised policies and procedures must be submitted in its response to the PRR.

### **Finding #2. Aggregate Loan Limit Exceeded**

**Citation:** An institution must establish and maintain such administrative and fiscal procedures and records as may be necessary to ensure proper and efficient administration of Title IV funds. 34 C.F.R. § 668.14(b)(4).

In addition, a school must certify that the information it provides in connection with a loan application is complete and accurate. This information pertains, in part, to the borrower's eligibility for a loan and to the student's eligibility for interest benefits. 34 C.F.R. § 685.301.

The aggregate unpaid principal amount of all Direct Subsidized Loans and Federal Stafford Loans made to a student but excluding the amount of capitalized interest, may not exceed \$23,000 in the case of any student who has not successfully completed a program of study at the undergraduate level. 34 C.F.R. § 685.203(d)

**Noncompliance:** TMC is responsible for ensuring that each student is not surpassing the aggregate loan amounts. Student #3's aggregate Direct Subsidized Loan amount was exceeded when TMC awarded and disbursed \$1,833 of Direct Subsidized Loan funds for the loan period 07/01/2013-06/29/2014. This resulted in a total aggregate amount of Federal Subsidized Loans of \$24,875. Since the aggregate Federal Subsidized Loan limit is \$23,000, the student received \$1,875 in excess of her eligibility.

**Required Action:** TMC must return all excess loan funds to the appropriate loan program. In response to this PRR, TMC must provide documentation demonstrating the return of the Direct Subsidized Loan for Student #3.

### **Finding #3. Failure to Provide Adequate Consumer Information**

**Citation:** Institutional information that the institution must make readily available to enrolled and prospective students includes:



- The titles of persons designated to disseminate information and information regarding how and where those persons may be contacted;
- Information on diversity of the student body, including the percentage of enrolled, full-time students who are male, female, self-identified members of a major racial or ethnic group, and Federal Pell Grant recipients;

As a requirement of the Student Right-to-Know Act, the institution must disclose enrollment information disaggregated by gender, major racial and ethnic subgroup, recipients of a Federal Pell Grant, recipients of a subsidized Stafford Loan who did not receive a Pell Grant, and students who did not receive either a Pell Grant or a subsidized Stafford Loan.

An institution preparing students for gainful employment must disclose, for each program, its tuition and fees and typical costs for books, supplies, and other costs to students who complete the program within a normal time frame. For each program, the institution must include the required gainful employment information in promotional materials, and make it available to prospective students and post this information on its web site. The required information must be prominently posted, in a simple and meaningful manner, on the home page of its program web site, and a direct link must be provided on any other web page containing general, academic, or admissions information about the program, to the single web page that contains all the required information. The institution must also display the required information on the institution's web site in an open format that can be retrieved, downloaded, indexed, and searched by commonly used web search applications. An open format is one that is platform-independent, is machine-readable, and is made available to the public without restrictions that would impede the reuse of that information.

The institution must provide an annual notice to enrolled students of the availability of information required to be disclosed that lists and briefly describes the disclosures and how to obtain the information. If disclosed on the web site, inclusion of the exact electronic address and a statement that the institution will provide a paper copy upon request, is required. Furthermore, information must be provided about the availability, upon reasonable notice, throughout normal administrative working hours, of employees for information dissemination purposes. Waivers of this requirement for small schools are available by application.

An institution must establish and use written policies and procedures for verifying an applicant's FAFSA information. These policies and procedures must include the procedures the institution will follow itself or the procedures the institution will require an applicant to follow to correct FAFSA information determined to be in error. An institution's procedures must provide that it will furnish, in a timely manner, to each applicant whose FAFSA information is selected for verification a clear explanation of the applicant's responsibilities with respect to the verification of FAFSA information, including the deadlines for completing any actions required and the consequences of failing to complete any required action. 34 C.F.R. §§ 668.6(a) and (b); 668.7; 668.41(b) and (c); 668.43; 668.44; 668.45; 668.48; 668.53.

**Noncompliance:** TMC's catalog, publications, and web site do not include all the consumer information notices required by federal regulations and TMC's Program Participation Agreement (PPA). Instances of noncompliance are as follows:

- TMC does not disclose the report of completion and graduation rates for student athletes. Furthermore, TMC did not provide the Equity in Athletics Report at least once per year to all students and prospective students or a summary of the report and the right to request a full report.
- TMC does not disclose gainful employment information using the template form issued by the Secretary.
- TMC does not disclose information about the availability, upon reasonable notice, throughout normal administrative working hours, of employees for information dissemination purposes.
- For those students selected for verification, TMC does not include, in its verification policies, the student's responsibilities, such as an explanation of the correction procedures, deadlines, and consequences of missing deadlines.

**Required Action:** TMC must ensure that it discloses consumer information in an accurate, complete, and timely manner. The consumer information assessment tool at [www.ifap.ed.gov/qaahome/qaassessments/consumerinformation.html](http://www.ifap.ed.gov/qaahome/qaassessments/consumerinformation.html) describes the requirements for the consumer information that a school must provide to students.

The revised consumer information, including all the above items, must be submitted with TMC's response to this PRR.

#### **Finding #4. Crime Awareness Requirements Not Met – Incomplete Annual Security Report**

**Citation:** The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Department's regulations require that all institutions that receive Title IV, HEA funds must, by October 1 of each year, publish and distribute to its current students and employees, a comprehensive Annual Security Report (ASR) that contains, at a minimum, all of the statistical and policy elements enumerated in 34 C.F.R. § 668.46 (b). With the exception of certain drug and alcohol prevention program information, cross-referencing to other publications is not sufficient to meet the publication and distribution requirements. § 485(f) of the HEA; 34 C.F.R. § 668.46(b).

The ASR must be published and actively distributed as a single document. Acceptable means of delivery include U.S. Mail, hand delivery, or campus mail distribution to the individual or posting on the institution's website. If the institution chooses to distribute its report by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to



all students and employees that includes a statement of the report's availability, its exact electronic address, a description of its contents, and an advisement that a paper copy will be provided upon request. 34 C.F.R. § 668.41(e)(1). These regulations also require institutions to provide a notice containing this information to all prospective students and employees. This notice must also advise interested parties of their right to request a paper copy of the ASR and to have it furnished upon request. 34 C.F.R. § 668.41(e)(4).

The ASR must include statistics for incidents of crimes reported during the three most recent calendar years. The covered categories include criminal homicide (murder and non-negligent manslaughter), forcible and non-forcible sex offenses, robbery, aggravated assaults, burglary, motor vehicle theft, and arson. Statistics for certain hate crimes, as well as arrest and disciplinary referral statistics for violations of certain laws pertaining to illegal drugs, illegal usage of controlled substances, liquor, and weapons, also must be disclosed in the ASR. These crime statistics must be published for the following geographical categories: 1) on campus; 2) on-campus student residential facilities; 3) certain non-campus buildings and property; and, 4) certain adjacent and accessible public property. 34 C.F.R. § 668.46(c)(1).

Additionally, the ASR must include several policy statements. These disclosures are intended to inform the campus community about the institution's security policies, procedures, and the availability of programs and resources as well as channels for victims of crime to seek recourse. In general, these policies include topics such as the law enforcement authority and practices of campus police and security forces, incident reporting procedures for students and employees, and policies that govern the preparation of the report itself. Institutions are also required to disclose alcohol and drug policies and educational programs. Policies pertaining to sexual assault education, prevention, and adjudication must also be disclosed. Institutions also must provide detailed policies on the issuance of timely warnings, emergency notifications, and evacuation procedures. All required statistics and policies must be included in the ASR. § 485(f) of the HEA; 34 C.F.R. § 668.46(b)(2).

Finally, each institution must also submit campus crime statistics for inclusion in the Department's "Campus Safety and Security Data Analysis Cutting Tool." 34 C.F.R. § 668.41(e)(5).

**Noncompliance:** The Master's College and Seminary (TMC) violated multiple provisions of the Clery Act by failing to include all required information in its ASR. Although TMC included information on pastoral and professional counseling available to victims of sex offense crimes, TMC failed to include information describing procedures that encourage pastoral counselors and professional counselors to inform the persons that they are counseling of any procedures to report crimes on a voluntary, confidential basis for inclusion in the annual disclosure of crime statistics. TMC has an incomplete statement of policy regarding the institution's campus sexual assault programs, and an incomplete description of procedures to follow when a sex offense occurs. TMC failed to include a description of educational programs to promote the awareness of rape, acquaintance rape, and other forcible and non-forcible sex offenses. Also, TMC did not include in the procedures for campus disciplinary action in cases of an alleged sex offense, a



clear statement that the accuser and the accused are entitled to the same opportunities to have others present during a disciplinary proceeding.

Failure to publish an accurate and complete ASR and to actively distribute it to current students and employees in accordance with federal regulations deprives the campus community of important security information that can empower its members to be informed and play an active role in their own safety and security.

**Required Action:** As a result of the above violations, TMC must prepare and publish an accurate and complete ASR that includes all of the statistical disclosures and policy, procedure and programmatic information required under 34 C.F.R. § 668.46(b). TMC has provided documentation to the Department evidencing the revised ASR includes the missing statements and disclosure. TMC must provide a certification statement attesting to the fact that the materials were distributed in accordance with the Clery Act. This certification must also affirm that the institution understands all of its Clery Act obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur.

TMC officials may wish to review the Department's "Handbook for Campus Safety and Security Reporting" (2011) during the preparation of its response. The handbook is available online at: <http://www2.ed.gov/admins/lead/safety/handbook.pdf>. The regulations governing the Clery Act can be found at 34 C.F.R. §§ 668.14, 668.41, 668.46, and 668.49. This information was also provided to the Institution's administrators during the program review.

The exceptions identified in this finding constitute serious violations of the Clery Act that by their nature cannot be cured. There is no way to truly "correct" a violation of this type once it occurs. TMC has been given an opportunity to develop and distribute an accurate and complete ASR, and in so doing, can begin to bring its overall campus security program into compliance with the Clery Act as required by its Program Participation Agreement (PPA). However, the institution is advised that these remedial measures cannot and do not diminish the seriousness of these violations, nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures.

Based on an evaluation of all available information, including TMC's response, the Department will determine if additional actions will be required and will advise the institution accordingly in its FPRD.

#### **Finding #5. Drug and Alcohol Abuse Prevention Program Requirements Not Met**

**Citation:** The Drug-Free Schools and Communities Act (DFSCA) and Part 86 of the Department's General Administrative Regulations require each institution of higher education (IHE) that receives federal education funding to certify that it has developed and implemented a drug and alcohol abuse prevention program (DAAPP). The program must be designed to



prevent the unlawful possession, use and distribution of illicit drugs and alcohol abuse on campus and at recognized events and activities.

On an annual basis, each IHE must provide the following information in writing to all current students (enrolled for any type of academic credit except continuing education units) and all current employees:

- A written statement about its standards of conduct that clearly prohibits the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees on its property or as part of any of its activities;
- A written description of the applicable legal sanctions under local, state, or federal law for the unlawful possession or distribution of illicit drugs and alcohol;
- A description of the health risks associated with the use of illicit drugs and the abuse of alcohol;
- A description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to employees or students; and,
- A clear statement that the institution will impose disciplinary sanctions on students and employees (consistent with federal, state, and local laws and ordinances) and a description of those sanctions, up to and including expulsion or termination of employment and referral for prosecution, for violations of the standards of conduct. For the purpose of this section, please note that a disciplinary sanction may include the required completion of an appropriate treatment program.

Moreover, federal regulations require each institution to conduct biennial reviews to measure the effectiveness of its DAAPP and to ensure consistent treatment in its enforcement of applicable drug and alcohol-related statutes, ordinances, and institutional policies against students and employees found to be in violation. The institution must prepare a report of findings and maintain its biennial review report and supporting documents and make them available to the Department upon request. 34 C.F.R. §§ 86.3, 86.100 and 86.103.

**Noncompliance:** The review team found that TMC failed to distribute its written DAAPP to all its employees and students annually. Furthermore, TMC failed to conduct a biennial review and prepare a report of findings as required by the DFSCA. The biennial review measures the effectiveness of an institution's DAAPP and also assesses the consistency of sanctions imposed for violations of disciplinary standards and codes of conduct.

Failure to comply with the DFSCA's DAAPP requirements deprives students and employees of important information regarding the educational, disciplinary, health, and legal consequences of illegal drug use and alcohol abuse. Failure to comply with the biennial review requirements also deprives the institution of important information about the effectiveness of its own drug and

alcohol programs. Such failures may contribute to increased drug and alcohol abuse on-campus as well as an increase in drug and alcohol-related violent crime.

**Required Action:** TMC is required to take all necessary corrective actions to resolve these violations. At a minimum, TMC must perform the following:

- Develop, implement and document a comprehensive DAAPP that includes all of the required elements found in the DFSCA and the Department's Part 86 regulations.
- Develop procedures for ensuring that the DAAPP program materials are documented and distributed to every student who is currently enrolled in the institution, and to all employees. TMC must provide a copy of its new distribution policy with its response to this program review report. The institution must distribute the DAAPP in accordance with Part 86 regulations and provide documentation evidencing the distribution as well as a statement of certification attesting to the fact that these materials have been distributed in accordance with the DFSCA. This certification must also affirm that the institution understands all of its DFSCA obligations and that it has taken all necessary actions to ensure that these violations do not recur.
- Conduct a biennial review to: 1) evaluate the effectiveness of its existing drug and alcohol programs and its DAAPP; 2) identify necessary improvements and modifications; and 3) assess the consistency of sanctions imposed for violations of its disciplinary standards and codes of conduct. TMC must also prepare a detailed report of its findings and must incorporate these findings into its new comprehensive DAAPP. The biennial review report must describe the research methods and data analysis tools that were used in the assessment. In addition, the report must identify the responsible official(s) who conducted the review. Finally, the report must be approved by the institution's chief executive and/or its Board. The biennial review must be completed by September 1, 2014 and be submitted to the Department by September 15, 2014.
- Develop policies and procedures to ensure that all future biennial reviews are substantive in nature, are conducted in a timely manner, and are fully documented. A copy of these policies and procedures must accompany the institution's biennial review report.

TMC is reminded that the exceptions identified above constitute serious violations of the DFSCA that, by their nature, cannot be cured. TMC has indicated its intention to comply and will be required to take corrective action as described above and, in so doing, will finally begin to bring its drug and alcohol programs into compliance with the DFSCA as required by its PPA. However, TMC is advised that its remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action as authorized by the DFSCA and/or other corrective measures.



Based on an evaluation of all available information, including TMC's response, the Department will determine if additional action will be required and will advise the institution accordingly in the FPRD.

**Finding #6. Fire Awareness Requirements Not Met – Incomplete Annual Fire Safety Report**

**Citation:** As of October 1, 2010, the Clery Act and the Department's regulations require that all institutions that receive Title IV, HEA funds and maintain an on-campus student housing facility must, by October 1 of each year, prepare, publish and distribute to its current students and employees through appropriate publications and mailings, an Annual Fire Safety Report (AFSR) that contains, at a minimum, all of the statistical and policy elements described in 34 C.F.R. § 668.49(b). These institutions must disclose fire statistics for each on-campus student residential facility for the three most-recent calendar years. An institution's statistics must accurately and completely identify the number of on-campus fires, the cause of each fire, the number of persons who sustained fire-related injuries that resulted in treatment at a medical facility (including on-campus health centers), the number of fire-related deaths, and the dollar value of property damage caused by such fires. 34 C.F.R. § 668.49(c).

In addition, the AFSR must include several fire safety information disclosures covering topics such as the type(s) of fire safety systems that are used in each student housing facility, the number of fire drills that were conducted during the previous calendar year, any institutional policies, procedures, and programs regarding: 1) the use and/or possession of portable electrical appliances; 2) smoking and the use/presence of open flames in student housing facilities; 3) evacuation procedures to be followed in the case of a fire; 4) fire safety education and training programs; 5) the institutional official(s) and departments to whom students and employees should report the occurrence of fires so that those incidents can be included in the institution's annual fire statistics; and, 6) any plans for future improvements to the institution's fire safety program. 34 C.F.R. § 668.49(b).

Each AFSR must be published and distributed as a materially-complete, comprehensive publication. If an institution chooses to combine the Annual Security Report (ASR) and AFSR and publish them as a single document, then the title of both reports must conspicuously appear on the cover page. Acceptable means of delivery include U.S. Mail, hand delivery, or campus mail distribution to the individual or posting on the institution's website. If an institution chooses to distribute its report by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to all current students and employees that includes a direct link to each report (exact electronic address), a description of its contents, as well as an advisement that a paper copy will be provided upon request. The Department's regulations also require participating institutions to provide a notice to all prospective students and employees that includes a statement about the AFSR's availability, the content of each report, and the exact electronic address of each report, if posted to an internet or intranet site. This notice must also advise interested parties how to obtain a paper copy of the AFSR.

Finally, an institution is required to submit its campus crime and fire statistics to the Secretary on an annual basis. 34 C.F.R. § 668.41(e)(1) - (6).

**Noncompliance:** TMC violated multiple provisions of the Clery Act fire safety requirements. TMC reported annual fire safety statistics for each on-campus housing facility for the three most recent calendar years for which data are available. However, it failed to classify the fire as: (a) unintentional; (b) intentional; or (c) underestimated. In addition, TMC did not include in the report the number of fire drills held during the previous calendar year.

Failure to publish an accurate and complete AFSR and to actively distribute it to students and employees deprives interested persons of important fire safety information to which they are entitled. Access to this information permits campus community members, especially those who live in campus housing, to make well-informed decisions about where to work and study and empowers them to play a more active role in their own safety and security.

**Required Action:** As a result of this violation, TMC must provide a copy of the annual fire safety statistics with the respective classifications of fire as: (a) unintentional; (b) intentional; or (c) underestimated. In addition, TMC must provide documentation to the Department evidencing the inclusion of the number of fire drills held the previous calendar year. Once the AFSR is evaluated by the review team for accuracy and completeness, TMC will be required to actively distribute it to all current students and employees in accordance with 34 C.F.R. § 668.41(e).

Finally, TMC will be required to provide documentation to the Department evidencing the distribution as well as a certification statement attesting to the fact that the materials were distributed in accordance with the Clery Act. This certification must also affirm that the institution understands all of its Clery Act obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur.

As noted above, the exceptions identified in this finding constitute serious violations of the Clery Act's fire safety requirements that by their nature cannot be cured. TMC will be given an opportunity to publish and distribute an accurate and complete AFSR and in so doing, begin to bring its overall fire safety program into compliance with the Clery Act as required by its Program Participation Agreement (PPA). While enhanced safety is the Department's primary focus, we note that such improvements will likely result in a better risk management environment for TMC as well. Nevertheless, TMC is advised that these remedial measures cannot and do not diminish the seriousness of these violations, nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures.

Based on an evaluation of all available information, including TMC's response, the Department will determine if additional actions will be required and will advise TMC accordingly in its FPRD.



**Finding #7. Inaccurate Reporting to National Student Loan Data System**

**Citation:** An institution must provide timely notification of changes to a student's enrollment status for purposes of student loan administration. Before an institution may disburse Title IV, HEA program funds to a student who previously attended another eligible institution, the institution must use information it obtains from the Secretary, through NSLDS or its successor system, to determine:

- Whether the student is in default on any Title IV, HEA program loan;
- Whether the student owes an overpayment on any Title IV, HEA program grant or Federal Perkins Loan;
- For the award year for which a Federal Pell Grant is requested, the student's Scheduled Federal Pell Grant Award and the amount of Federal Pell Grant funds disbursed to the student;
- The outstanding principal balance of loans made to the student under each of the Title IV, HEA loan programs; and
- For the academic year for which Title IV, HEA aid is requested, the amount of, and period of enrollment for, loans made to the student under each of the Title IV, HEA loan programs.

If a student transfers from one institution to another institution during the same award year, the institution to which the student transfers must request from the Secretary, through NSLDS, updated information about that student so it can make appropriate determinations; and the institution may not make a disbursement to that student for seven days following its request, unless it receives the information from NSLDS in response to its request or obtains that information directly by accessing NSLDS, and the information it receives allows it to make that disbursement. 34 C.F.R. § 685.309(b).

**Noncompliance:** TMC inaccurately reported the enrollment status to NSLDS for the following students:

Student # 6: The student was reported as withdrawn in NSLDS. According to TMC's records this student graduated on February 08, 2013.

Student # 11: The student was reported as withdrawn in NSLDS. According to TMC's records this student graduated on May, 10, 2013.

Student #15: The student was reported as withdrawn in NSLDS. According to TMC's records this student graduated on May 05, 2013.

Student #19: The student was reported as withdrawn in NSLDS. According to TMC's records this student graduated on July 26, 2012.

Student #27: The student was reported as withdrawn in NSLDS. According to TMC's records this student is currently enrolled full time.

Student #29: The student was reported as withdrawn in NSLDS. According to TMC's records this student graduated on December 13, 2013.

**Required Action:** TMC is responsible for ensuring that each student enrollment is reported accurately to NSLDS. TMC must submit updated information to NSLDS to correct this finding and amend its policies and procedures to ensure that all changes are reported accurately and timely to NSLDS. TMC must provide documentation reflecting the NSLDS enrollment status changes for the students listed above. The revised policies and procedures must be submitted in its response to the PRR.

#### **Finding #8. Exit Counseling Deficiencies**

**Citation:** A school must ensure that exit counseling is conducted with each Direct Subsidized Loan or Direct Unsubsidized Loan borrower shortly before the student borrower ceases at least half-time study at the school. This regulation is found in 34 C.F.R. § 685.304(b).

Further, the school must maintain documentation substantiating the school's compliance with this section for each student borrower. 34 C.F.R. § 685.304(b)(7).

**Noncompliance:** There was no documentation in the file of Student #10 that exit counseling had been completed. Student #10 borrowed \$ 1,750 in Direct Subsidized Loan funds and \$ 1,000 in Direct Unsubsidized Loan funds for the award year 2012-2013. The student withdrew on November 16, 2012.

**Required Action:** TMC must review and amend its policies and procedures to ensure that all students are provided with exit counseling and that documentation is maintained. A copy of these policies and procedures must be provided with TMC's response to this finding. Finally, TMC provided documentation to confirm that exit loan counseling was performed for student #10 while the reviewers were on-site.

#### **Finding #9. Unprotected Personally Identifiable Information (PII) in Student File**

**Citation:** Institutions are required to protect the personally identifiable information (PII) of students in accordance with the Family Educational Rights and Privacy Act of 1974 and implementing regulations. 34 C.F.R. Part 99. Additionally, the Secretary considers any breach to the security of student records and information as a potential lack of administrative capability with respect to safeguarding and protecting the confidentiality of customer information.

To begin and to continue to participate in any Title IV, HEA program, an institution shall demonstrate to the Secretary that the institution is capable of adequately administering that



program. The Secretary considers an institution to have that administrative capability if, among other requirements, the institution administers Title IV, HEA programs with adequate checks and balances in its system of internal controls. 34 C.F.R. § 668.16.

**Noncompliance:** The reviewers found an admissions application from a student other than the student in whose file it was placed. The Financial Aid Office uses a paperless filing system and the Director revised the electronic record for the student in question, destroyed the old file and restored the accurate information for the student, removing any information pertaining to other students.

**Required Action:** During the program review, TMC staff was advised of the consequences of inadequate protection of PII. TMC resolved the issue for Student #6 while on-site.

TMC must review its policies and procedures regarding the protection of PII. TMC must also review all students' files and remove any PII information, as applicable. The revised policies and procedures must be submitted in its response to the PRR.

#### **D. Appendix**

Appendix A (Student Sample) contain personally identifiable information and will be emailed to TMC as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file(s) will be sent in a separate email.